



# A STUDY ON SAVINGS AND INVESTMENT PATTERN OF TEXTILE WORKERS IN TIRUPPUR DISTRICT

K. Yuvaraj<sup>1</sup> | Dr. M. Venkatraman<sup>2</sup>

<sup>1</sup> Research Scholar, Department of Commerce, PSG College of Arts and Science, Coimbatore – 14.

<sup>2</sup> Assistant Professor, Department of Commerce, PSG College of Arts and Science, Coimbatore – 14.

## ABSTRACT

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The study aims to study the level of awareness towards various investment avenues among the textile workers, the factor considered by the textile worker while making investment and the level of satisfaction towards investment among the textile workers. Primary data are collected from the respondents through questionnaire. Purposive Random Sampling is used to collect the data. The study is conducted among 200 textile workers in Tiruppur District. The study suggests that government should concentrate on middle income people regarding investment.

**KEYWORDS:** Investment, Savings, Exporter, Workers and Factors.

## INTRODUCTION:

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The textile industry employs about 40 million workers and 60 million indirectly. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

An investment for textile workers is a tool for creating wealth and fulfilling future wants as well, it allows them to meet their life goals easily with the help of careful management of money and finances. It is observed that managing money wisely is the first step towards better investment goals. Expense management is a matter of getting the appropriate returns for every rupee spent and suitable decisions on the payment mode that is cash, cheque, credit card or equated monthly installments (EMIs). For textile workers, financial planning is a critical thing; the reason behind the same is the limited and fixed flow of income. For perfect financial independences a person has to be proactive in taking steps for the same. It is necessary to understand the saving and spending patterns before making an investment. A person has to fill the gaps by spending prudently for the purpose of consumption and saving. One of the major advantages of textile workers is the regular flow of income. It can be used as a tool for systematic investments for the achievement of financial goals. Another advantage for textile workers is the risk coverage that is offered by employers which may include life insurance and health insurance.

## STATEMENT OF THE PROBLEM:

Savings plays very vital role in making of the household and the national economy. Savings provides the financial security to the individual saver at the time of emergency. It is necessary to have saving plan because it will help to meet financial goals like future safety, children's education, meet the need of the family etc. In order to focus the individual for savings a part of their income, various efforts had been made by the government and various financial institutions introduced different saving plans with high rates of interest. Tiruppur is the biggest centre for exports in India and seen as one of the most energetic garment clusters in the developing world. It is home to several large export firms, thousands of subcontractors and processing firms employing anywhere between three to five lakhs workers. People save the money in order to meet the financial necessities in future because the future is changeable. So savings are required in order to meet the financial needs. There is a vast scope of savings and investment because of the presence of a large number of textile employees in Tiruppur City. Hence the

researcher has chosen the topic "A study on Saving and Investment Pattern of Textile Manufacturing Workers in Tiruppur City".

## OBJECTIVE OF THE STUDY:

- To study the level of awareness towards various investment avenues among the textile workers
- To identify the factor considered by the textile worker while making investment
- To study the level of satisfaction towards investment among the textile workers.

## RESEARCH METHODOLOGY:

A research design is overall sketch of research. It indicates a plan of action to be carried out in connection with a proposed research work. It is a blend of both descriptive and analytical method of study.

## Sampling Design:

This study is an empirical research based on survey method. Tiruppur District is one of the largest Garment Exporter in India. Hence, this district has been purposively chosen for the present study.

## Selection of the farmers:

The sample size of the study is 200 respondents.

## Collection of data:

Primary and Secondary data have been used in this study. Primary data are collected through Interview Schedule Method and secondary data are collected through various journals, magazines, newspapers, report and etc.,

## Tools for analysis:

The following statistical tools are used in this study in tune with the objectives.

- Percentage analysis
- Chi square analysis
- Analysis of variance (ANOVA)
- Average Rank Analysis

## LIMITATIONS OF THE STUDY:

- The most important limitation of this study is that it is restricted to Coimbatore City only.
- The sample size is restricted to 200 respondents.

## FINDINGS OF THE STUDY:

### Percentage Analysis:

- Majority (68%) of the respondents are male
- Majority (56%) of the respondents belong to the age group of 35-45 years

- Majority (52%) of the respondents are educated at school level
- Most (46%) of the respondents earn between 15,000 – 30,000 per month
- Majority (78%) of the respondents are living in nuclear family
- Most (43%) of the respondents save 20-30% of their income.
- Most of the respondents are aware of gold & silver, post office saving scheme, bank deposits, livestock, insurance and Real Estate.
- Most (32%) of the respondents are motivated by spouse and family members
- Majority (68%) of the respondents invest their income for children's education and marriage
- Majority (66%) of the respondents prefer long term investment.
- Majority (78%) of the respondents are highly satisfied with investment and returns

#### Rank Analysis:

- Among the various factors, most of the respondents have given top priority to safety followed by liquidity, security, low risk and future benefits.

#### Chi-square Test:

- There is an association between gender, age, educational qualification and Preference towards type of investment.

#### ANOVA:

- There is difference between gender of the respondents and level of satisfaction towards investment
- There is difference between monthly income of the respondents and level of satisfaction towards investment.

#### SUGGESTION:

- SEBI and Government should create awareness about stock market and mutual fund among the middle income people
- Employees should focus on medium term investments compared to long term and short term.
- Concessions can be provided for the employees especially to the textile workers

#### CONCLUSION:

Investment climate must attract the workers to save from their income at times even by forgoing with comfort and peaceful life. Nation can never sustain development unless they have adequate savings. So, Favorable climate is to be assured by the government to provide investment climate guaranteeing acquisition, protection and liquidation of assets. Since savings is the main factor for investment, the government however legal measures encourage savings accumulation. For the growth of a disciplinant investment market a well organized monetary system though protecting the investments against the eves of inflation or depletion is to be kept by government.

#### REFERENCES:

1. Benartzi, S. and R.H. Thaler, 2001, Naïve diversification strategies in defined contribution saving plans, *The American Economic Review* 91 (1), 79–98.
2. Krishnamoorthy, c.(2008). "A Study on investment pattern and tax planning in the Nilgiris District Jan 2008, Unpublished Theses, Bharathiyar University
3. Achar, A., 2012. Saving and Investment Behaviour of Teachers. An empirical study. *International Journal of Physical and Social Sciences*. 263-286